



ROANOKE COUNTY BUDGET UPDATE

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Roanoke Co. Board of Supervisors Receive Budget Update *Board Members Told to Brace for Uncertainty*

ROANOKE COUNTY, VA (Feb 23, 2010) – The Roanoke County Board of Supervisors received information during a Board work session this afternoon on the cuts proposed by staff to balance next fiscal year's (FY 2010-2011) budget.

County staff began by providing a document supplied by the Virginia Association of Counties and prepared by Fiscal Analytics, Ltd. that shows the tax increase that would be needed to balance next year's budget based on the budget proposed by Governor Tim Kaine. According to the analysis, which looked at Cities and Counties across the state, Roanoke County would need a 15 cent increase in the tax rate to balance the cuts in the Governor's proposal.

Although Governor Bob McDonnell and the House and Senate have now each issued proposed budgets, the information shown to the Board of Supervisors during the work session was solely based on Governor Kaine's proposal. Staff told the Board that the situation in Richmond is changing by the hour - as a result they have been working with numbers included in Gov. Kaine's proposed budget until more analysis is available. Staff explained that they hope to have more information regarding all of the budget proposals when they next meet with the Board on March 2. Right now, using Gov. Kaine's proposal, the County's Budget Team has essentially balanced next year's budget using a variety of cuts but they repeatedly cautioned the Board that those cuts totaling approximately \$4.7 million will likely deepen as more information flows out of Richmond.

County staff reminded the Board that the County has been dealing with budget reductions for at least two years. As a result, County Departments have seen positions either eliminated or frozen. Personnel in the Management and Budget Office prepared a chart for the Board, which shows where the personnel reductions have occurred. The County has cut 19 positions and frozen another ten – all through attrition. The cuts, for the most part, exclude public safety and social services, which the Board recognizes as priority areas. It is unlikely any vacant positions, other than those identified as priorities, will be filled any time in the near future. These savings will be used to help balance next year's budget.

To further aid in balancing next year's budget, County Departments have been asked to make additional cuts to their operating budgets. Brent Robertson, Director of Management and Budget, explained that Departments have been directed to prepare budgets next year reflecting cuts of 10

percent and 20 percent. If the Departments are required to cut 20 percent, this will result in savings of \$2.4 million. The County's Budget Team, comprised of administrative, finance, and budget staff, have already begun meeting with the Department Managers to find out if they are able to effectively absorb the cuts without major harm to the delivery of services. These cuts will likely impact the level of services provided in some form since they will be on top of the cuts that the Departments have already made over the past two years.

The County's Budget Team also outlined the other cuts that are being proposed to balance next year's budget. Finance Director Rebecca Owens reviewed with the Board a "Five Year Summary of Capital, Economic Development Incentives, and Debt." Historically, the County has been able to fund a variety of capital projects; however, in the proposed budget for FY 2010-2011, County staff has recommend that funding for all capital items be deferred with the exception of those related to maintenance or that are contractual in nature. This will provide the County approximately one million dollars.

Ms. Owens also reviewed the County's Economic Development Incentive agreements. These are agreements that are approved by the Board and made with prospective businesses under the County's Public Private Partnership Policy. These agreements provide that businesses be reimbursed up to a certain approved amount for the taxes paid as part of the agreement. During FY 2010-2011, there are two new agreements, Virginia Blue Ridge and PD Lodging Associates and several agreements that were completed including Integrity, Cardinal, Cox Communications, Virginia Air Distributors, and Kroger.

The Board reiterated their commitment to balance the budget while making every effort to preserve jobs. Some Board members also had suggestions for Clay Goodman, the County Administrator. Board Vice Chairman Ed Elswick asked Mr. Goodman to review the "Take Home Vehicle Policy" to see if there is any room for savings. Most of the County's "Take Home Vehicles" are used by public safety employees but Mr. Goodman said he would work with the Director of General Services to review the policy and look for any savings.

In other news, the Board held a public hearing to adopt tax rates for real estate, personal property, and machinery and tools. The real estate tax rate is currently \$1.09 per \$100 assessed value. Personal property is \$3.50 per \$100 assessed value. The tax rate for machinery and tools is currently \$3.00 per \$100 assessed value. Immediately following the public hearing, the Board voted to adopt the current tax rates.

The County has created a webpage where citizens, employees, and the media can easily access information pertaining to the County's effort to balance the current and upcoming budget. The site can be accessed at the following link: www.roanokecountyva.gov/budgetinfo .

For additional information, contact Director of Management and Budget [Brent Robertson](#) at (540) 772-2021.

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